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Action Item

California Postsecondary Education Commission

Approval of the Minutes of the February 4, 2003, Meeting

MINUTES

California Postsecondary Education Commission

Meeting of February 4, 2003

**Commissioners
present** Alan S. Arkatov *Chair*
Howard Welinsky, *Vice Chair*
Carol Chandler
Irwin S. Field
Odessa P. Johnson
Guillermo Rodriguez, Jr.
Evonne Seron Schulze
Rachel E. Shetka
Olivia K. Singh

**Commissioners
absent**
George T. Caplan
Anthony M. Vitti
Susan Hammer
Faye Washington
Melinda G. Wilson

Call to order Commission Chair Arkatov called the Tuesday, February 4, 2003 California Postsecondary Education Commission meeting to order at 9:25 a.m. at the California State Capitol, Room 2040, Sacramento, California 95814. He asked for a moment of silence to honor the crew of the Space Shuttle Columbia who lost their lives the previous Saturday.

Call of the roll Chair Arkatov asked Executive Secretary Anna Gomez to call the roll. All Commissioners were present except Commissioners Caplan, Hammer, Vitti, Washington, and Wilson.

**Report of the
Executive Session** Executive Director Moore stated that he wanted to discuss with the Commission the following items: the Legislative Analyst Office (LAO) report on CPEC, the status of the Eligibility Study, the Commission's budget, and the upcoming April 8th Commission meeting.

Director Moore stated that the LAO report emphasized the importance of the Commission's data collection and dissemination activities. The LAO report also stated that CPEC could either focus on objective higher education policy analysis or it could focus on coordination of higher education in California (including program review and review of new campuses and centers). Director Moore stated that he didn't think that some of the activities identified by the LAO for each of the separate missions of the Commission were mutually exclusive. In any case, Director Moore expected that a written response to the LAO report would soon be forthcoming.

Director Moore reported that the Commission has collected over 13,000 high school transcripts. He also stated that he had received a letter from the University of California and the California State University encouraging the Commission to forgo the class of 2001 Eligibility Study. Director Moore indicated that he planned to talk with members of the Assembly and Senate Higher Education committees about the Eligibility Study about whether the study should be continued.

Commissioner Rodriguez asked whether the study could yield meaningful results with an 84% response rate.

Director Moore replied that while past studies had a higher response rate meaningful and statistically valid results could be derived from this set of transcripts. The real problem for the Commission is that this study cannot be completed without the participation of the University and the State University. They expressed concern in their letter about the lateness of the study and the fact that admission criteria have changed since 2001.

Chair Arkatov stated that he thought the changes that have been occurring in the K-12 system warrant this study.

Director Moore agreed with Chair Arkatov stating that while there have been an increasing number of students who are better prepared, it hasn't translated into an increased participation rate. The Eligibility Study might help to answer some of these questions.

Commissioner Rodriguez stated that he didn't think the arguments presented in the UC—CSU letter justifies cancellation of the Eligibility Study and that the Commission should continue to move forward to complete the study.

Director Moore agreed with Commissioner Rodriguez while indicating that CPEC needs the cooperation of the segments to complete the study. Director Moore indicated that he intended to pursue this matter with the University of California, the California State University, and members of the Higher Education policy committees of the Legislature.

Director Moore reported that the LAO report recognized the difficulty the Commission has had in collecting AB 1570 data (enrollment and completions data with a student identifier) but that it appeared we were making progress. The Commission expects that the University of California, the California State University, and the California Community Colleges would be submitting some data with student identifiers soon so that the first study using these data can commence. Director Moore noted that accountability is a very important issue and that we need these data to analyze how the segments are meeting established goals. Finally, Director Moore pointed out that this particular dataset would only go back to Fall 2000 since that is when the University of California changed its procedure to collect and share student identifiers.

Director Moore indicated that Senator Vasconcellos has developed a brief paper which asks good questions related to the State's budget and its impact on different constituencies. Director Moore pointed out a key consideration is the budgetary impact of having to recreate the infrastructure to support various groups and activities—it may be more

costly to do that than to fund agencies and departments who have a level of expertise that would be difficult, if not impossible, to replace. Director Moore stated that these are key arguments concerning CPEC: if the Commission is weakened too severely, what is lost? And, would it be possible to recapture what was lost?

Director Moore alerted the Commission that the focus of the Legislature to date has been on dealing with budget cuts in the current fiscal year. He reported that the Legislature had just passed a budget reduction proposal that the news media are indicating that the Governor will veto because it contains an increase in automobile registration fees. Director Moore further relayed that it is unclear what will happen if the Governor does veto the current proposal.

Director Moore stated that a Governmental Relations Committee meeting would be scheduled for mid-March.

Finally, Director Moore passed out to the Commission a couple of handouts that he said would provide good background material for the April 8th Commission meeting.

**Report of the
Statutory Advisory
Committee**

Chair Arkatov called on Mr. Ron Fox, Chair of the Commission's Statutory Advisory Committee, to make the Committee's report. Mr. Fox reported that the Committee met on January 27, 2003. The Committee focused on the California budget, Cal Grant alternatives, and discussed ways to better define and support CPEC including developing a joint letter of support for the Commission.

Mr. Fox indicated that Commissioner Susan Hammer had left the State Board of Education. He also updated the Commission on current activities/issues occurring at each of the education segments. These include the transition occurring at the Department of Education with the new Superintendent of Public Instruction, the search for a new President of the University of California, the search for college presidents at California State University, Sacramento and California State Polytechnic University, Pomona, the focus on the budget and student fees at the California Community Colleges Chancellor's Office, and the addition of D-Q University as a member of the Association of Independent California Colleges and Universities.

**Discussion of the
2003-04 budget**

Chair Arkatov called on staff member Karl Engelbach and staff member Kevin Woolfork to discuss the 2003-04 State Budget. Mr. Engelbach summarized the January 17, 2003 Fiscal Policy Committee meeting. Mr. Engelbach indicated that representatives from the University of California, the California Community Colleges, and the Student Aid Commission were in attendance; he noted that a representative from the California State University was not able to attend. Mr. Engelbach stated that Robert Turnage from the California Community Colleges Chancellor's Office reported that the Community Colleges were taking a \$775 million cut and their proportion of Proposition 98 funds were proposed to shrink from 10.4% to 9.2%. The response from the community colleges to these cuts is the reduction of summer classes and the layoff of adjunct faculty. For the 2003-04 budget the Governor has proposed no money for enrollment growth. In addition, it has been proposed that Community College fees increase to \$24 a unit from the current \$11 a unit.

Commissioner Rodriguez asked about the impact of the last fee increase.

Mr. Woolfork responded that the community colleges experienced a reduction of about 100,000 students.

Director Moore indicated that the Community College League is projecting a 206,000 student reduction in the budget year.

Mr. Engelbach continued by reporting that the University of California representative, Debbie Obley, stated that UC was taking a \$373 million cut spread over several different areas. Karl can you fix this area. My notes are unclear.

Commissioner Schulze asked about the rationale for the fee increase to \$24. Mr. Engelbach answered that even with a fee increase of this magnitude the California Community Colleges still would have the lowest fees in the nation.

Commissioner Johnson noted that it is very difficult to accept the level of cuts proposed for the community colleges and that vocational education programs need to be protected.

Director Moore noted that there is great uncertainty about the budget and that if the Governor vetoes the current funding measure on his desk, it will likely delay discussion about the 2003-04 Budget.

Commissioner Field expressed concern that budget cuts for higher education that are too deep would adversely affect the economic engine of the State.

Commissioner Welinsky asked if the proposed budget reductions for UC and CSU would affect their ability to enroll students at the Master Plan guideline levels.

Mr. Engelbach responded that both UC and CSU would be able to enroll students at Master Plan guideline levels.

Mr. Engelbach stated that while the Cal Grant Program would be fully funded, there will be a decrease in the level of award to students who attend private colleges. The reduction is about \$900.

Commissioner Chandler expressed concern that students receive notification that Cal Grant awards are available.

Mr. Engelbach indicated that there is a small amount of money in the CSAC budget to alert students. He added that it was noted that March 2nd is the deadline for students to apply for a Cal Grant Award; in order to be eligible for an award students must complete a FAFSA and have their GPA verified.

A general discussion among Commissioners about the effects of budget cuts on students surfaced the following concerns. Chair Arkatov reminded the Commission about the importance of Adult Education. Commissioner Schulze stressed the need to develop practical solutions to solve the budget problem. Commissioner Welinsky stressed that any fee increase above 15% was excessive. He also expressed concern that the cuts to

the community colleges were greater than at UC or CSU. Commissioner Chandler suggested that joint use of facilities be studied as a partial solution to the budget problem.

Diana Fuentes Michel, Vice Chancellor, Governmental Relations & External Affairs, spoke to the Commission about issues being considered in the California Community Colleges Chancellor's Office regarding the budget for the community colleges. Ms. Michel indicated that the Chancellor's Office is studying how student fees fit into the total financing package for the community colleges. She stated that the Board of Governors policy of moderate and predictable fee increases would indicate that student fees would rise from \$11 per unit to \$15 per unit. Ms. Michel confirmed that the community colleges lost about 100,000 students during the last budget crisis. She stressed that not all of the loss could be attributed to the increase in fees but also to other changes made at that time in terms of prioritizing student access. Finally, Ms. Michel indicated that the Chancellor's Office was in discussions with the Department of Finance about resolving issues related to non-compliant concurrent enrollment that occurred in the Orange County area.

Recess	The Commission took a break beginning at 11:14 a.m.
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Reconvene	Chair Arkatov reconvened the Commission at 11:25 a.m.
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**A review
of California's
cross-enrollment
program**

Chair Arkatov called on staff member Murray Haberman to update the Commission on any changes made to this report since it was presented as an Information Item at the December 3, 2002 Commission Meeting.

Mr. Haberman briefly reminded the Commissioners about the purpose of this study and then indicated the changes that had been made to the report. He mentioned that on page 11 another bullet had been added to highlight that the Cross-Enrollment Program should be linked to emerging dual admissions programs. He also noted that item 4 on page 14 had been added to the report. Again, this was done to highlight that several initiatives, in addition to the Cross-Enrollment Program, are currently underway throughout the state that are designed to improve cooperation and collaboration among the segments of higher education. Mr. Haberman then asked the Commissioners if they had any questions.

Commissioner Schulze asked if there are any ways to highlight the existence of this program. Specifically, she asked if high school counselors could help to advertise the existence of this program.

Mr. Haberman responded that high school counselors are currently overworked. He did note that the CSU had prepared a brochure and that the program is mentioned in any number of college catalogues.

Chair Arkatov stressed that marketing is very important and that other avenues, such as on-line counselors or the use of technology, could be used.

Commissioner Johnson stated that she thought the \$10 fee was too low and recommended that it be increased.

Mr. Haberman stated that he has had conversations with the University of California about the fee level for this program but they stated that the idea was to encourage students to apply.

Commissioner Field also indicated support for a higher fee for this program.

Commissioner Schulze moved for adoption of this report and its appropriate transmittal. Commissioner Chandler seconded the motion. The report was unanimously adopted with the recognition that Commissioner Johnson supported a higher fee level.

**Admission policies
and attrition rates
in California
Community
College nursing
programs**

Chair Arkatov called on staff member Murray Haberman to provide an update on any changes made to this report since it was presented to the Commission on December 3, 2002.

Mr. Haberman reminded the Commission that this study came about as a result of legislation offered by Senator Poochigian. He added it flowed out of concerns about the current nursing shortage in California, concerns about admission practices in community college nursing programs, the attrition rates of students enrolled in these programs, and passage rates on the NCLEX exam. Mr. Haberman then introduced Joanne Spetz and Jean Ann Seago, the research team leaders, who conducted the study, to talk about their findings.

The researchers indicated that improvements in successful completion of a nursing program and passage of the NCLEX exam could be enhanced by standardizing admissions requirements, identifying those students who will be successful (preparation), providing appropriate help for students enrolled (ESL services, tutoring programs, and financial assistance to lessen the need to work), limit the number of units required so that students can graduate in two years, and better information so that students can make informed decisions.

Commissioner Field asked that the reference to ESL be made more specific so that medical terms are covered in any ESL course. He also asked that the contribution of private colleges and universities be recognized in the report.

Commissioner Chandler moved for adoption of this report and its appropriate transmittal. Commissioner Field seconded the motion. The Commission unanimously adopted the report.

**Faculty salaries
at California
public universities,
2003-04**

Chair Arkatov called on staff member Murray Haberman to present this item.

Mr. Haberman noted that this is an annual report that is based on a set of comparison institutions that had been renegotiated in 1989. He called attention to the comparison institutions in Display 1 as well as noting the history of the salary comparisons in Display 2. He stated that there were 2 minor corrections to this display.

Mr. Haberman pointed out that the lag for the CSU faculty is 8.% in the 2002-03 fiscal year and is projected to grow to 12.0% in the 2003-04 budget year. For the UC faculty the lag in the 2002-03 fiscal year is estimated at 4.5% and it is expected to increase to 9.2% in the 2003-04 budget year.

Commissioner Rodriguez asked if the University of California had the ability to hire faculty off-scale.

Mr. Haberman and Mr. Todd Greenspan from the University of California Office of the President indicated that Departments had discretion to offer salaries that are off-scale in order to attract a faculty member.

Finally, Mr. Haberman indicated that there are some missing institutions in the comparison groups, but that he was expecting to have all of the data available for the next Commission meeting.

Recess Chair Arkatov recessed the Commission until 1:30 p.m.

Reconvene Chair Arkatov reconvened the public session of the Tuesday, February 4, 2003 California Postsecondary Education Commission meeting at 1:40 p.m.

Needs analysis review for the community learning center proposed by the MiraCosta Community College District Chair Arkatov called on Mr. William L. Storey, Commission consultant on this project to present this report. Mr. Storey provided background on the process this project has undergone prior to reaching the Commission, including planning and development work by center and district officials, approval by local Board of Trustees, and review by the Board of Governors of the California Community Colleges. Mr. Storey concluded by stating his recommendation that the Commission approve the MiraCosta Community College District's proposal to establish the Community Learning Center in Oceanside as an official educational center.

Mr. Tim Dong, Superintendent of the MiraCosta Community College District, then spoke in support of the center. He described the demographics of the Oceanside area and said that the center would serve the mostly low-income, high immigrant population of the area. Mr. Dong said that the curriculum and related student services would be designed to meet the educational needs of the community, including the provision of technical training and support to local high school teachers in the Oceanside community. He concluded by noting that the community college district had worked very closely with the local K-12 district in developing this center.

Commissioner Schulze spoke in strong support of the proposal. She said that she had visited the site of the center and had met with students and staff. She said that it was collaborative effort between the local community college and K-12 districts of the kind the Commission has advocated.

In further discussion, Commissioner Johnson expressed some concerns about the community college center's focus on adult high school education and community service, particularly in the current budgetary environment. She suggested the need for further

joint planning with the local K-12 district and said that she would be more comfortable the proposal had already developed its academic plan.

Mr. Dong explained that the center is seen as an entry point in the neighborhood where people would feel comfortable entering higher education and that the course offerings and services had to be geared to encourage these mainly non college-going persons to attend. He said that after they had enrolled and experienced some levels of education achievement, the center's course offerings and support services would help students transfer into bachelor's degree-granting institutions.

Mr. Storey also clarified that Commission approval of the center would not mandate State capital expenditures for the center, but would only allow the center to compete for State funding among the other colleges and centers of the California Community Colleges.

Mr. Walt Reno, facilities analyst with the California Community Colleges Chancellor's Office, spoke to the proposal. He said that the enrollment projections that help justify the need for this center are based solely on college-level work and not pre-collegiate courses. He said that the center's curriculum would grow as the college grew. He concluded that with the needs of this area, the center would serve as a "bridge" to help students fully transition into college-level work.

On a motion by Commissioner Schulze, seconded by Commissioner Chandler, the Commission approved establishing the MiraCosta Community College District Community Learning Center in Oceanside as an educational center on a voice vote, with Commissioner Johnson abstaining.

Chair Arkatov thanked Mr. Storey, the MiraCosta Community Learning Center representative, and the Chancellor's Office representative for their presentations.

**Commission
review of a
proposal by the
State Center
Community
College District to
establish the
Willow-
International
Educational
Center**

Chair Arkatov called on Mr. Stacy Wilson from the Commission staff to present this report. Mr. Wilson provided background on the proposed Willow-International Educational Center, to be located in Clovis, California, which would replace an existing outreach center. He said that the district had outgrown the current center, noting official population estimates provided by the State's Department of Finance Demographic Research Unit shows large population growth in the area, coupled with projections of substantial enrollment growth. Mr. Wilson described the geographic region of the State Center Community College District and noted that its main community college, Fresno City College, is also nearing capacity.

Mr. Wilson continued that the community college district had worked closely with the local K-12 school district in developing this proposal and that the new center would both compliment and share resources with a planned nearby high school. Mr. Wilson concluded by noting that initially he had requested additional information from the district on financing, intersegmental coordination, and other areas and that district officials had now provided him with sufficient information to address his concerns.

Mr. Terry Kershaw, Interim Vice-Chancellor for Education Services at the State Center District, spoke briefly in support of the center and noted that the current center enrolls 1,000 full-time equivalent students. He said that his district and the local K-12 district were working closely together in planning new facilities.

Commissioner Chandler commented that the district was “bulging at the seams” and that it needed new educational facilities.

Commissioner Rodriguez asked district officials if they had considered using additional non-state sources of funds for the project, given the State’s strained fiscal condition. Mr. Kershaw responded that the district’s share of the anticipated costs of this center was greater than what was initially presented in the report and that he had provided Mr. Wilson with updated information on the costs, taking into account the district’s recent passage of a local general obligation bond issue. Ms. Gin Yang-Staehlin, a facilities analyst with the California Community College’s Chancellors Office, then testified that the district will have provided half of the total financing for the project by the time the second phase of development of the center (2006 through 2010) concludes.

Chair Arkatov thanked Mr. Wilson, the State Center representative, and the Chancellor’s Office representative for their presentations.

**Commission
Recommendations
Concerning
Alternative
Delivery Options
for the State’s Cal
Grant Program**

Chair Arkatov called on Mr. Karl Engelbach from the Commission staff to present this report. Mr. Engelbach provided background on the report, noting that it was done at the request of the Legislature and that the Commission had convened a task force to assist in its completion. He said that the Legislature is concerned that the present process for delivering Cal Grant awards to students was too complicated and ineffective and that the goal of this project was to recommend improvements to the current process to better meet the needs of students.

Mr. Engelbach described the deliberations and then summarized the report’s key findings on the current Cal Grant student financial aid delivery system:

- a. The State needs better information on the cost of the current system and of any proposed changes.
- b. The State’s high schools should be required to report grade-point averages (GPAs) for all high school graduates each year to the California Student Aid Commission (CSAC).
- c. CSAC should create a statewide database of high school graduate’s GPAs, to assist institutions in identifying which students at the institutions might qualify for Cal Grants.
- d. The State should decentralize the Cal Grant program and move towards a campus-based delivery system for both the “Entitlement” and “Competitive” award programs.

Chair Arkatov asked Mr. Engelbach if the report dealt with students who are accepted to a California State University or University of California campus and receive a Cal Grant but subsequently are determined to be academically deficient and drop out. Mr. Engelbach responded that the report did not deal with policy issues such as the aca-

demic merit of Cal Grant award recipients, only with issues related to the aid delivery process.

Commissioner Rodriguez asked if postsecondary institutions would have incentives to reduce their levels of institutional aid if they also had responsibility for overseeing Cal Grant awards to students. Mr. Engelbach responded that institutions currently take into account all potential sources of student financial aid – State grants, work study, Federal grants and loans, family contributions, etc. – when putting together a student’s financial aid package.

Mr. Engelbach continued that in addition to the aid delivery process recommendations the Commission had developed in consultation with the task force, there were also two policy recommendations included in the report regarding the Cal Grant program. First, Commission staff recommends that the Governor, Legislature, and other stakeholders should modify the Cal Grant awards program to take into account the needs of older students. Secondly, this same review and modification should occur regarding the needs of student pursuing vocational education and technical training.

Mr. Engelbach noted that the current process is focused primarily on high school-age students and those who progress immediately from high school into college. Much of the process involves the types of materials that adults older than their mid-20s have trouble accessing and includes deadlines and other requirements that working adults re-entering the educational system would have trouble meeting. He concluded that such a re-configuration of the Cal Grant awards system would better facilitate the needs of the State’s population and be better aligned with the re-training needs of the many Californians.

Commissioner Field complimented Mr. Engelbach for the report and he and others made some suggestions as to the organization of the report. Mr. Engelbach said that the report would be changed to reflect the Commissioner’s suggestions.

Commissioner Welinsky asked Mr. Engelbach to explain the issue regarding grade-point averages. Mr. Engelbach noted that currently the calculation of a student’s high school GPA for determining Cal Grant eligibility is different from GPA calculations for use in high school or in colleges and that this causes confusion. He continued that if high schools were required annually to report all graduating student’s “Cal Grant” GPA to CSAC, many students who are now potentially eligible for, but unaware of, Cal Grants would receive the information they need to apply for the grants.

Commissioner Welinsky suggested that the Commission approve this item as a Commission staff report for immediate transmittal to the Legislature and Governor to meet the February 28 deadline contained in the Supplemental Report Language requesting this study.

The Commission, on a unanimous voice voted, approved transmitting the report as was recommended by Commissioner Welinsky.

Mr. John Peirce, the General Counsel and Chief of the Legal Affairs and Governmental Relations Division of the California Student Aid Commission, spoke to the item on

behalf of Student Aid Commission Chair Michael Cooney and the Commission staff. He requested that the CPEC Commissioners read the materials submitted by CSAC that are proposed to be part of the attached background documents to the full report.

Mr. Peirce summarized CSAC's concerns with the proposed recommendations, as follows:

- a. These changes would force CSAC to abandon its Cal Grant delivery system, even though this system is specifically set up to make these awards.
- b. CSAC's cost estimates for establishing campus-based aid delivery systems have found them to be very expensive.
- c. There are potential legal and constitutional issues in the Competitive Program for operating a decentralized awarding system.
- d. Eliminating centralized notification of awards may cause students who are not in a high school's traditional "college-bound" track to be excluded from the aid process, since individual colleges would not notify every single graduating student in a high school.

Mr. Engelbach noted that there was some disagreement with CSAC's assessment of the potential impacts of the recommendations on the part of task force members and CPEC staff. He cited, as an example, different cost estimates for campus-based aid delivery systems developed by campus representatives. He stated that the information provided by CSAC would be included in the background papers to this report.

Chair Arkatov thanked Mr. Engelbach and Mr. Peirce for their presentations on this item.

Adjournment	There being no further business, the Chair called for adjournment of the meeting at 3:00 p.m.
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